

Chapter 8

Financial Management Reporting

INTRODUCTION

This chapter provides a discussion of the required Federal financial reporting formats for both the formula and competitive WtW grants. Along with the instructions, the chapter discusses subrecipient reporting and the performance bonus criteria for formula grants, and it addresses the issues of correlating the reporting system with the accounting system.

This chapter contains the following sections:

- Federal Reporting Requirements
- Subrecipient Reports
- Participant Reporting
- Performance Bonus Criteria
- Issues with Reporting
- Attachment 1 - Formula Quarterly Financial Status Report and Instructions
- Attachment 2 - Competitive Quarterly Financial Status Report and Instructions
- Attachment 3 - Performance Bonus Criteria Chart.

FEDERAL REPORTING REQUIREMENTS

Section 20 CFR 645.240 requires that each WtW recipient submit a financial report (the Quarterly Financial Status Report (QFSR)) in accordance with the instructions issued by DOL. The reports are due not later than 45 days after the end of the report quarter and 90 days after the expiration of fund availability or when all funds are expended, whichever comes first. Recipients are required to report accrued expenditures separately for each year of appropriated funds cumulatively from the inception of each grant. Each appropriation year of funds will constitute a separate grant with its own unique grant number. In order to properly report their costs, States and competitive grant recipients must establish a subrecipient reporting system that allows them to incorporate costs at all levels of the system into the report submitted to ETA.

What the Regulations Require

The reporting requirements are found at 20 CFR 645.240 of the regulations.

645.240(a) requires that “All States and other direct grant recipients shall report pursuant to instructions issued by DOL (financial data)... Reports shall be submitted no more frequently than quarterly within a time period specified in the reporting instructions. In addition, DOL will establish supplemental reporting requirements for competitive grant recipients through the grant agreements pursuant to Sec. 645.515 of this part.”

645.240(b) requires that for subrecipients “A State or other direct grant recipient may impose different forms or formats, shorter due dates, and more frequent reporting requirements on subrecipients. However, the recipient is required to meet the reporting requirements imposed by DOL and DHHS.”

645.240(c) requires that “Financial reports shall be submitted to DOL by each grant recipient. Reported expenditures and program income must be on the accrual basis of accounting and cumulative by fiscal year of appropriation. If the recipient’s accounting records are not normally kept on the accrual basis of accounting, the recipient shall develop accrual information through an analysis of the documentation on hand.”

645.240(d) requires the reports to be submitted “no later than 45 days after the end of each quarter. A final financial report is required 90 days after the expiration of a funding period or the termination of grant support.”

Report Submission

The financial reports for the WtW program are required to be submitted electronically. TEGL 11-97 and FM 38-98 provided the initial instructions to grantees. Those instructions have been updated to reflect changes in the reporting format related to performance bonus criteria, and revised instructions were issued as Change 1 to Training and Employment Guidance Letter (TEGL) 11-97 and Field Memorandum (FM) 38-98 on February 22, 1999. Grantees are provided with passwords (for data input) and Personal Identification Numbers (PINs) (for data certification). On-line reporting instructions have been provided to the grantees electronically. Grantees submit the required reports to the Regional Office where they are reviewed for completeness and accuracy. After the Regional Office has accepted the reports, the ETA National Office utilizes the data for analysis and providing output report information to DOL management, OMB, and the Congress. Reports may be modified only by the grantees, with the explanation for any adjustments displayed in the remarks section. A copy of both the formula grant QFSR and the competitive grant QFSR, and line-by-line instructions for their completion, are provided as Attachments 1 and 2 to this chapter.

Formula Reports

The formula grant cumulative QSFR contains six sections, five of which require financial data. These are:

- # **Section I–Grant Total** contains nine separate reporting categories that provide cumulative totals for the obligations and costs of the formula grant. They are either statewide totals (i.e., match) or a combination of special projects and pass-through funds. This section also requires the expenditures by Administration, Technology/Computerization, Required Beneficiaries, and Other Eligible (participant) categories.
- # **Section II–Federal Special Projects** provides for obligational authority and expenditures related to the 15% Federal Special Projects and Special Rule Distribution funds. It includes breakouts related to the costs of Administration and Technology/Computerization categories.
- # **Section III–Pass-Through Funds** provides for allocations and expenditures related to the required 85% Pass-Through Funds expended at the sub-State level. It includes breakouts related to the costs of Administration and Technology/Computerization categories.
- # **Section IV–Expenditures by Activity** provides for expenditures from all WtW funds as expended by the program activities contained in Section 645.212 of the WtW Interim Final regulations, and a further breakout for four activities (Job Creation, Job Readiness, Job Placement, and Post-Employment Services) as to whether the expenditures were for contracts or vouchers.
- # **Section V–Federal Program Income** provides for the program income, both earned and expended, in accordance with the requirements of 29 CFR 97.25 and 95.24.
- # **Section VI–Participant Data.** While the data requirements are not financial, the data will be used in the calculation of performance bonuses in accordance with the criteria published in the Federal Register on November 23, 1998.

The reporting format is structured so that when a grantee accesses the WtW reporting system on the Internet, a menu appears that provides the grantee with a choice of FY and reporting quarter. Only selected FY and reporting quarter will appear on the screen. When entering data for a new reporting quarter, the format will appear with no previously entered cumulative data. Therefore, the new data for the reporting quarter must be added to previously submitted data to reflect cumulative data from the inception of the grant. Modification to previously submitted data may be made by selecting FY and reporting quarter for which the modification is to be made.

Competitive Grant Reports

The competitive grant cumulative QFSR has four sections, three of which require financial data. Like the formula grant report, costs are cumulative from the inception of the grant through the most recent quarter and are reported by the fiscal year of appropriation. The sections are:

- # **Section I–Grant Total** provides for the obligation and expenditure totals under the grant. It also requires the expenditures by Administration, Technology/Computerization, Required Beneficiaries, and Other Eligible (participant) categories.
- # **Section II–Expenditures by Activity** provides for expenditures by the program activities contained in Section 645.212 of the WtW Interim Final regulations, and a further breakout for four activities (Job Creation, Job Readiness, Job Placement, and Post-Employment Services) as to whether the expenditures were for contracts or vouchers.
- # **Section III–Federal Program Income** provides for the program income, both earned and expended, in accordance with the requirements of 29 CFR 97.25 and 95.24.
- # **Section IV–Participant Data** includes the data related to participation in the program by individuals.

The reporting format is structured so that when a grantee accesses the WtW reporting system on the Internet, a menu appears that provides the grantee with a choice of FY and reporting quarter. Only selected FY and reporting quarter will appear on the screen. When entering data for a new reporting quarter, the format will appear with no previously entered cumulative data. Therefore, the new data for the reporting quarter must be added to previously submitted data to reflect cumulative data from the inception of the grant. Modification to previously submitted data may be made by selecting FY and reporting quarter for which the modification is to be made.

SUBRECIPIENT REPORTS

States and other recipients are responsible for ensuring the timeliness and accuracy of required Federal reports. In order to comply with this requirement, recipients must establish subrecipient reporting requirements that will allow them to submit the Federal reports within 45 days of the quarter end. Recipients may impose additional reporting requirements on their subrecipients. Following are some of the ways recipients may comply with the Federal requirements:

- # Require subrecipients to submit their reports within 30 days of the quarter end. This allows the recipient adequate time to verify the accuracy of the financial data submitted by the subrecipient prior to Federal report submission. This option is useful when the subrecipient must submit electronic reports; however, grantees should have a mechanism in place to report costs in the event of non-reporting by a subrecipient.
- # Require subrecipients to report on a monthly basis, with reports due 30 to 40 days after the month end. This option allows the recipient to have a preponderance of the financial

data in hand in the event of non-reporting by a subrecipient. This option will also provide the recipient with financial data that is useful in managing and monitoring subgrants.

- # Recipients should carefully review the Federal report format and require additional information as needed to effectively manage the subgrant process. For example, recipients may wish to require a breakout of the costs associated with the Intake, Assessments, Eligibility Determination, and Case Management activity by the component parts in order to have a true picture of the costs of serving clients. Also, recipients may wish to have a breakout of costs by the contract line items, especially if there are line item restrictions in the subagreement.

PARTICIPANT REPORTING

Both formula and competitive grant QFSRs require the reporting of participant data. For the formula grantees, the data related to participant achievements both during and after WtW services are provided will be used by DOL in the awarding of performance bonuses in FY 2000, based on the performance of each State that is a WtW State in 1998 and 1999. For both the formula and competitive grantees, the data provides an accurate picture of the program accomplishments and results. This information is critical to the continued success of the WtW program. In order to accurately report this data, grantees must track the progress of each participant precisely. There are a number of issues that have arisen related to participant reporting since the implementation of the WtW program. Many of the issues revolve around the definitions of reporting items such as placement and participant. The definitions that follow are to be used in developing the participant reporting system:

Participant. A person becomes a participant only after he or she has begun to receive WtW services. In order to be reported as a “participant served”, the individual must have received one or more of the services identified at Items 7 through 14 on the competitive grant QFSR and Items 19 through 27 on the formula grant QFSR. In addition, an individual may be counted as a “participant served” if he or she has received “in-depth” assessment, has an individualized service strategy, or has received case management services. The individual does not count as a “participant served” if he or she has received only intake, eligibility determination, and initial assessment services.

Unsubsidized employment. A wage-earning job. This category excludes participants whose wages have been subsidized by a payment from public funds to the employer.

Subsidized employment. A job paying wages that are less than 100% funded by the employer, and the wage subsidy is from public funds. Jobs that are fully funded by wage subsidies, such as work experience or workfare jobs, do not count as subsidized employment.

Placement. When a participant enters the WtW program unemployed and subsequently obtains employment, a placement occurs. Placements may be for either subsidized or unsubsidized employment. The reporting format further requires a breakdown of placements for less/more than 30 hours per week.

Retention. This applies only to unsubsidized employment and is based on those participants who enter the WtW program while in unsubsidized employment or who are placed in unsubsidized employment after receiving WtW services. The number is based on those participants who are employed in the *second* subsequent quarter following placement. The participant must have had earnings in both the first and second quarters to be counted.

Earnings Gain. This refers to the sum of earnings of those individuals in unsubsidized employment who remained in the workforce in the second subsequent quarter (see retention) minus the sum of the earnings of that same group of individuals in the base quarter divided by the earnings in the base quarter. The resulting number is multiplied by 100 to obtain the earnings gain percent.

The importance of accurate data collection and reporting cannot be overemphasized. The information gathered through the reporting system is not only used to determine performance bonuses for the formula grantees and the performance measures for the program, but also forms the basis for reporting to Congress on the accomplishments of the WtW Program by all grantees.

PERFORMANCE BONUS CRITERIA

The Act provides for the award of bonuses to States (formula grantees only) that have successfully performing WtW programs, and \$100,000,000 has been appropriated by the Congress for such bonuses. The bonuses are to be awarded in FY 2000 and are to be based on the performance of WtW States in FY 1998 and FY 1999. The DOL issued performance bonus criteria in a Federal Register notice dated November 23, 1998. The following measures and their respective weights have been established to measure State performance for the bonus. The measures are based on those specified in the Act and in the TANF high performance bonus.

- **Job Entry Rates**

(1) Basic rate. This is determined by the number of participants entering subsidized and unsubsidized employment for the first time while receiving WtW services divided by the number of total participants. This criterion is weighted at 40%.

(2) 30+ hour rate. This is determined by the number of participants either entering subsidized and unsubsidized employment at 30 or more hours per week or increasing the number of hours of such employment from less than 30 to 30 or more hours per week divided by the total number of participants. This criterion is weighted at 20%.

- **Job Retention Rate.** This is determined by the number of participants employed in unsubsidized employment during the base quarter (quarter ending June 30, 1999, or Q3) who were still employed in unsubsidized employment in the second subsequent quarter (quarter ending December 31, 1999, or Q5) divided by the number who were employed during the base quarter (Q3). Those counted in retention must have earnings in both the first and second quarters. This criterion is weighted at 25%.

- **Earnings Gain Rate.** This is determined by using the sum of the earnings of the participants retained in the second subsequent quarter (Q5) compared to the sum of the earnings of the same group of participants in the base quarter (Q3). The reporting subset used to determine earnings gain is the same as the subset used to determine the job retention rate, i.e., participants employed in unsubsidized employment. This criterion is weighted at 15%.

The source for the information to be used by DOL in determining the bonuses is found in Section VI of the formula QFSR. The DOL recommends that the information in Section VI related to the job retention and earnings gain items be obtained from unemployment insurance (UI) wage records. If a State cannot or will not use the UI wage records, the source of the information must be documented and the sufficiency of the data justified. States may also supplement the UI follow-up with other valid and sufficient follow-up methods.

Once the raw scores have been determined, the DOL will use a statistical method to assign a value for each State for each of the criteria based on their level of performance compared to a national average for performance. The values will be expressed as points and are as follows:

- -1 point – significantly below the national average
- 0 point – at or below the national average
- 1 point – above the national average
- 2 points – significantly above the national average.

In order to qualify for a bonus allocation, a State must receive at least one point on one of the two job entry measures plus one point on either the job retention or the earnings gain measure.

Each State that qualifies for a bonus allocation will be assigned a score that reflects the application of the points by measure and the relative weight of each measure. That formula is expressed as follows:

$$(W1)(X1) + (W2)(X2) + (W3)(X3) + (W4)(X4) = \text{Total Score}$$

States will be grouped according to their scores, and each group will receive a proportionate share of the total funds available for distribution (\$100,000,000). The three groups are top performers, those States with scores of 135-200 points; second level performers, those States with scores of 100-134 points; and third-level performers, those States with scores of 35-99 points. In addition, there will be a cap of 25% of the formula allocation to ensure that no State receives a disproportionate share of the total funds available.

Example. On Factor 1, the State scored significantly above the national average; on Factor 2, at the national average; on Factor 3, above the national average; and on Factor 4, above the national average. Using the scale indicated times the weight of the factor as specified in the Federal Register notice on performance bonuses, the following score is indicated:

$$(2)(40) + (0)(20) + (1)(25) + (1)(15) = 120 \text{ points}$$

This would put the State in the second level performers group for bonus distribution.

Attachment 3 to this chapter is a chart that displays the performance bonus criteria and the data source for each.

ISSUES WITH REPORTING

Because of the complexity of the Federal WtW reports, there are a number of issues that recipients and subrecipients need to recognize and address in order to comply with the reporting requirements. These are:

- # The Act and the regulations require that a minimum of 70% of the WtW expenditures must be made for the Required Beneficiaries participants described in 20 CFR 645.212 and a maximum of 30% be expended on the participants described in 645.213. The 70%/30% refers to actual expenditures, not percentages of participants or funds available. Recipients must ensure that the chart of accounts and accumulation of costs is in sufficient detail to report these costs. This requirement is discussed in more detail in Chapter 7, *Cost Classification*.
- # The Act and the regulations specify that Administrative costs are limited to 15% of the allocation or the grant award. Computerization/Technology expenditures, while administrative in nature, are not subject to the cost limitation and must be reported separately. This requirement is also discussed in more detail in Chapter 7.
- # The reporting format requires that costs be displayed in a variety of formats and combinations. For example, costs by activity relate to both State and sub-State level, and 70%/30% categories. In order to simplify the accounting functions, recipients may wish to use linking spreadsheets to compile the information from the general ledger and post to the reporting format. Users are cautioned that the use of linking spreadsheets must be documented and in sufficient detail to trace the costs from the report in an audit or when monitored. The documentation should be written and, at a minimum, describe each link from the general ledger to the report. Another, and more accurate, method of accumulating the costs would be through the use of the chart of accounts to directly post the costs to the general ledger. The use of the chart of accounts is discussed in Chapter 7, *Cost Classification*, and a sample chart of accounts may be found in Appendix E.
- # Timeliness and accuracy of the reports are critical to a successful audit process. Recipients are urged to periodically review and update reporting formats and procedures to ensure this.

Attachment 1

**PLEASE REFER TO THE WtW FORMULA GRANT CUMULATIVE QUARTERLY
FINANCIAL STATUS REPORT, ETA FORM 9068 (Rev Nov. 1998)**

REVISED 2-10-99

INSTRUCTIONS FOR REPORTING WELFARE TO WORK FORMULA GRANTS FINANCIAL DATA

GENERAL INSTRUCTIONS

The Welfare to Work (WtW) Formula Grant Cumulative Quarterly Financial Status Report provides the required data elements for the formula grant recipients to report expenditures and program income on an accrual basis. Participant summary data is also required to be reported.

The format is structured so that only one report will be required for each reporting period. For Fiscal Year (FY) 1998, only Column I will contain entries. For subsequent fiscal years, Columns II and III will contain entries, as applicable. Data reported should be cumulative by year of appropriation.

Electronic transmittal of the data requested on the attached hard copy prototype format is now available for all WtW formula grantees who have Internet accessibility and who have provided E-mail addresses to ETA. On-line reporting instructions have been provided to the grantees with the issuance of passwords and PINs.

The first required report on the revised format should include data from inception of the grant through March 31, 1999. This data will be due to ETA no later than May 15, 1999. Subsequently, the required data is to be transmitted to Regional Offices quarterly, no later than 45 days after the end of each reporting quarter, and 90 days after the expiration of fund availability, or 90 days after all grant funds have been expended, whichever comes first. (Specifically, data for the quarter ending December 31 is due February 14, data for the quarter ending March 31 is due May 15, data for the quarter ending June 30 data is due August 15, and data for the quarter ending September 30 is due November 14.)

DETAILED INSTRUCTIONS

ITEM a. Enter the name and address of the grant recipient.

ITEM b. Enter the end date of the quarter reported.

COLUMN I. Place an "X" by either Quarterly or Final to indicate whether data entered in Column I is cumulative through quarter identified in item b above, or final data for the Fiscal Year 1998 award. Enter the FY 1998 Grant Number. All data entered in Column I should correspond to the FY 1998 funds and Grant Number identified. Adjustments to amounts entered in Column I of a previous report should be reflected in the current reporting quarter, with a footnote and an explanation in Section VII, Remarks.

COLUMN II. Place an “X” by either Quarterly or Final to indicate whether data entered in Column II is cumulative through quarter identified in item b above, or final data for the FY 1999 award. Enter the FY 1999 Grant Number. All data entered in Column II should correspond to the FY 1999 funds and Grant Number identified. Adjustments to amounts entered in Column II of a previous report should be reflected in current reporting quarter, with a footnote and an explanation in Section VII, Remarks.

COLUMN III. Place an “X” by either Quarterly or Final to indicate whether data entered in Column III is cumulative through quarter identified in Item b above, or final data for the FY 2000 award. Enter the FY 2000 (bonus year) Grant Number. All data entered in Column III should correspond to the FY 2000 funds and Grant Number identified. Adjustments to amounts entered in Column III of a previous report should be reflected in current reporting quarter, with a footnote and an explanation in Section VII, Remarks.

SECTION I. GRANT TOTAL

ITEM 1. Federal Allotment (NOO)

The amount of the Federal WtW formula grant award will ultimately be provided by the Department of Labor on the electronic format. In the interim, States should enter the grant award amount when submitting quarterly data.

ITEM 2. Non-Federal Match Expenditures

Enter the cumulative total amount of non-Federal match expenditures, including both cash and in-kind. (Entry includes the amount reported at Item 3.)

ITEM 3. Non-Federal In-Kind Match Expenditures (50% Maximum)

Enter that portion of the amount entered at Item 2 which is in-kind match from third parties (entities that receive no WtW funds). This entry should not exceed 50% of total match expenditures reported at the end of the grant.

ITEM 4. Federal Expenditures

Enter the State cumulative aggregate Federal WtW accrued expenditures for the FY of funds reported, through the end of the quarter being reported. This entry should equal the sum of Items 7a and 7b, and also the sum of Items 12 and 16.

ITEM 5. Federal Administrative Expenditures (15% Maximum)

Enter the State cumulative aggregate administrative expenditures included in Item 4. (Be sure to **exclude** Federal Technology Computerization expenditures reported at Item 6.)

NOTE: At the end of the three-year life of a fiscal year of funds, or when all of a fiscal year of funds have been expended, this entry should not exceed 15 percent of the total grant award amount.

ITEM 6. Federal Technology/Computerization Expenditures

Enter the State cumulative aggregate expenditures for information technology (computer hardware or software) needed for tracking or monitoring under a WtW grant. This amount is included in Item 4. (Do not include this amount in Item 5.)

ITEM 7. Federal Expenditures for:

a. Required Beneficiaries. Enter the State cumulative aggregate Federal accrued expenditures for required beneficiaries. Section 403(a)(5)(C)(ii) requires that an entity that operates a project with funds provided under this paragraph shall expend at least 70% of all funds provided to the project for the benefit of recipients of assistance under the program funded under this part of the State in which the entity is located, or for the benefit of noncustodial parents of minors whose custodial parent is such a recipient, who meet the requirements of subclauses (I) and (II).

b. Other Eligibles. Enter the State cumulative aggregate Federal accrued expenditures for individuals with characteristics associated with long-term welfare dependence. Section 403(a)(5)(C)(iii) requires that an entity that operates a project with funds provided under this paragraph may expend not more than 30% of all funds provided to the project for programs that provide assistance in a form described in clause (I) - (I) and (II).

NOTE: The sum of Items 7a and 7b should equal Item 4.

ITEM 8. Federal Unliquidated Obligations

Enter the State cumulative aggregate Federal WtW funds that have been obligated (contracts and purchase orders) but for which services or goods have not been received. States have 90 days after the fund availability period has expired to liquidate obligations made during the period of fund availability. This amount should be zero on the final report submitted for each grant. (Obligations incurred minus accrued expenditures (Item 4) should equal unliquidated obligations.)

ITEM 9. Federal Unobligated Funds

Enter that portion of the State cumulative aggregate Federal WtW allotment that has neither been expended nor obligated. (Federal Allotment, Item 1, minus Federal Expenditures, Item 4, minus Unliquidated Obligations, Item 8, should equal Federal Unobligated Funds.)

SECTION II. FEDERAL SPECIAL PROJECTS (15% MAXIMUM SET ASIDE PLUS SPECIAL RULE DISTRIBUTION)

ITEM 10. Set Aside (15% Maximum)

Enter the State set aside (a maximum of 15% of States WtW allotment for the fiscal year.) The 15 percent set aside may be expended for such items as special projects, State administration, capacity building, and incentive awards.

NOTE: Item 10 should equal no more than 15% of Item 1.

ITEM 11. Federal Special Rule Distribution (SDA formula <\$100,000)

Enter that portion of the State Federal WtW allotment attributable to the State's service delivery areas (SDAs) whose formula allocation was calculated to be less than the \$100,000 threshold. (This amount is then added to the 15% set aside and may be used for same purposes.)

ITEM 12. Federal Expenditures

Enter the State cumulative aggregate expenditures from the 15% set aside funds identified at Item 10, plus the expenditures from the Special Rule Distribution funds identified at Item 11.

ITEM 13. Federal Administrative Expenditures

Enter the cumulative aggregate administrative expenditures included in Item #12. Do **not** include technology/computerization expenditures, which are reported at Item 14.

ITEM 14. Federal Technology/Computerization Expenditures

Enter the cumulative aggregate expenditures for information technology (computer hardware or software) needed for tracking or monitoring under a WtW grant. This amount is included in Item 12. Do **not** include these expenditures in Item 13.

SECTION III. PASS-THROUGH FUNDS (85% LESS SPECIAL RULE DISTRIBUTION)

ITEM 15. Allocation of Federal WtW Funds to Local Areas

Enter the Federal 85% minimum WtW funds distributed by the State among the SDAs within the State pursuant to Section 403(a)(5)(A)(vi). This excludes the amount of the State's allotment attributable to SDAs whose formula allocation was calculated to be less than the \$100,000 threshold (amount reported at Item 11).

ITEM 16. Federal Expenditures

Enter the State cumulative aggregate Federal expenditures attributable to the Pass-Through funds.

ITEM 17. Federal Administrative Expenditures

Enter the State cumulative aggregate administrative expenditures included in Item 16. Do **not** include technology/computerization expenditures which are reported at Item 18.

ITEM 18. Federal Technology/Computerization Expenditures

Enter the State cumulative aggregate expenditures for information technology (computer hardware or software) needed for tracking or monitoring under a WtW grant. This amount is included in Item 16. Do **not** include these expenditures in Item 17.

SECTION IV. FEDERAL EXPENDITURES BY ACTIVITY

Enter the amount of accrued expenditures for each of the activities at Items 19 through 28. (Include expenditures from both Section II, Special Projects, and Section III, Pass-Through Funds.) The amounts reported at Items 19 through 27 should only include the **actual** pure costs of these activities.

Any allocable amounts for administration, intake and eligibility determination, case management, etc., should **not** be included in the amounts reported at Items 19 through 27. Allocable administration costs should be reported as appropriate at Items 13 and 17. Intake, assessment, eligibility determination, etc., should be reported at Item 28.

There should be no entries on the lines provided for Items 21, 23, 24, and 25. Entries should only be made on the a and b lines provided for each of these items.

NOTE: The expenditures for Job Readiness, Job Placement, and Post-Employment Services that are not provided through the use of vouchers or contracts, but are provided as part of a comprehensive community service, work experience, or on-the-job (OJT) training program, are to be included in the amounts reported at Items 19, 20, and 22.

When vouchers or contracts are used for placement in unsubsidized jobs, only include **expended** portion of vouchers or contracts. Do **not** include the one-half holdback for 6-month placement in the workforce until the expenditure has been incurred.

ITEM 19. Community Service

ITEM 20. Work Experience

ITEM 21. Job Creation Employment Wage Subsidies

- a. Public**
- b. Private**

ITEM 22. On-the-Job Training

ITEM 23. Job Readiness Services

- a. Vouchers**
- b. Contracts**

ITEM 24. Job Placement Services

- a. Vouchers**
- b. Contracts**

ITEM 25. Post-Employment Services

- a. Vouchers**
- b. Contracts**

ITEM 26. Job Retention Services and Support Services

ITEM 27. Individual Development Accounts

ITEM 28. Intake, Assessment, Eligibility Determination, and Case Management

ITEM 29. Total

Enter the total State accrued expenditures by activity, which is the sum of Items 19 through 28.

SECTION V. PROGRAM INCOME

ITEM 30. State (There should be no entry on this line.)

a. Earned. Enter the State cumulative aggregate Federal WtW program income earned in carrying out the objectives of the grant, less any costs incident to the generation of the program income. These funds are additional to the Federal allotment amount, Item 1.

b. Expended. Enter that portion of earned program income reported at Item 30a, which has been expended to further the WtW program objectives. (These cumulative aggregate accrued expenditures are separate from any other expenditures reported.)

SECTION VI. PARTICIPANT SUMMARY

NOTE: There should be no entry on the lines for Items 31 and 36.

ITEM 31. State

a. Total Participants Served. Enter the State cumulative aggregate number of WtW clients served under this grant for the fiscal year. If a client ceases to be served under the program and then returns for additional services, the client is to be counted again. (Item 31a should be the sum of Items 31a(1) and 31a(2).)

NOTE: An individual is classified as a “participant served” when any one or more of the services identified at Items 19 through 27 are received by the individual. Also included as services which constitute “participant served” status are “in-depth” assessment, development of individualized service strategy, and case management services. Intake, initial assessment, and eligibility determination do NOT constitute “participant served” status for an individual. (Grantees are encouraged to “enroll” individuals into the WtW program as soon as they are determined eligible, so that when an appropriate service/activity becomes available, the individual does not have to be reassessed for eligibility. Enrollment into the program does NOT, however, constitute “participant served” status until the individual is actually served, as defined in this paragraph.)

(1) Enter the number of participants served who met the “Required Beneficiaries” criteria as defined at Section 403(a)(5)(C)(ii). This is the cumulative number of participants served by the expenditures reported at Item 7a.

(2) Enter the number of participants served who met the criteria for “Targeting of Individuals with Characteristics Associated with Long-Term Welfare Dependence” as defined at Section 403(a)(5)(C)(iii). This is the cumulative number of total participants served by the expenditures reported at Item 7b.

b. Total Participants Terminated. Enter the State cumulative aggregate number of WtW clients terminated under this grant for the fiscal year. If a client returns to receive additional services under this grant, the client is to be counted again when terminated. (Item 31b should be the sum of Items 31b(1) and 31b(2).)

(1) Enter the number of participants terminated under the grant who met the “Required Beneficiaries” criteria as defined at Section 403(a)(5)(C)(ii). This is the cumulative number of participants terminated under the grant who had been served by the expenditures reported at Item 7a.

(2) Enter the number of participants terminated under the grant who met the criteria for “Targeting of Individuals with Characteristics Associated with Long-Term Welfare Dependence” as defined at Section 403(a)(5)(C)(iii). This is the cumulative number of total participants terminated under the grant who had been served by the expenditures reported at Item 7b.

ITEM 32. Placed in Unsubsidized Employment

Enter the sum of Items 32a and 32b.

NOTE: Include all participants who are placed in unsubsidized jobs for the first time, i.e., Social Security Number is linked with the job placement, while receiving WtW services. (This placement cannot be reported by the grantee again unless the person is terminated from the WtW program and comes back after not receiving WtW services for at least 90 days.) Exclude participants who are placed in any job for which the employer receives a wage subsidy. Also exclude participants who are placed in OJT until after the OJT is completed and the participant is retained in an unsubsidized job.

a. Greater Than or Equal to 30 Hours per Week. Enter the State cumulative aggregate number of WtW participants who entered unsubsidized employment of 30 or more hours per week.

b. Less Than 30 Hours Per Week. Enter the State cumulative aggregate number of WtW participants who entered unsubsidized employment of less than 30 hours per week.

ITEM 33. Employed in Unsubsidized Employment When Entering WtW

Enter the sum of Items 33a and 33b.

NOTE: Include those WtW participants who were already employed in an unsubsidized job when becoming a “participant served” by the WtW program. Please refer to the definition of “participant served” at Item 31 in this Section VI of the reporting instructions. Individuals should not be counted in this entry until they meet the “participant served” status.

a. Greater Than or Equal to 30 Hours per Week. Enter the State cumulative aggregate number of WtW participants who are employed in unsubsidized employment of 30 or more hours per week when becoming a participant served by the WtW program.

b. Less Than 30 Hours per Week. Enter the State cumulative aggregate number of WtW participants who are employed in unsubsidized employment of less than 30 hours per week when becoming a participant served by the WtW program.

ITEM 34. Placed in Subsidized Employment

NOTE: Include all participants who are placed in subsidized jobs for which the wage subsidy is less than 100% of the participant’s total income and for which the subsidized job placement is not workfare, i.e., the total amount paid to the individual exceeds the amount of the subsidy.

Enter the sum of Items 34a and 34b.

a. Greater Than or Equal to 30 Hours per Week. Enter the State cumulative aggregate number of WtW participants who entered subsidized employment of 30 or more hours per week.

b. Less Than 30 Hours per Week. Enter the State cumulative aggregate number of WtW participants who entered subsidized employment of less than 30 hours per week.

Note the following for entries at Items 32, 33, and 34: For cases where an individual reported at Items 32 and 34 is upgraded from a “less than 30 hours per week” job to a “greater than or equal to 30 hours per week” job, reduce the count reported at Items 32b or 34b, as appropriate, and increase the count reported at Items 32a or 34a, as appropriate, in the quarter during which the upgrade occurs. For cases where an individual reported at Item 33 is upgraded from a “less than 30 hours per week” job to a “greater than or equal to 30 hours per week” job, reduce the count reported at 33b and increase the count reported at 32a in the quarter during which the upgrade occurs.

ITEM 35. Retained 6 Months (two quarters) in Unsubsidized Employment

NOTE: Retention is defined as when an eligible individual is placed in unsubsidized employment and remains in the workforce for 6 months with earnings in the two consecutive quarters following placement. For those individuals reported at Item 33 (employed in unsubsidized employment when entering the WtW program), the base quarter from which retention is measured is the quarter in which WtW services were first provided, and thus the quarter in which an individual was first counted in the Item 33 entry.

Due to the anticipated one quarter lag in the availability of UI wage record data, the report for period ending June 30, 1999, will provide retention and earnings gained data for participants who were reported as placed on the report for the quarter ending September 30, 1998. Thus, the June 30, 1999, report will be the first quarter for which Retention (Item 35) and Earnings Gained (Item 36) data are to be reported.

Entities not using UI wage record data should utilize this one quarter lag period for collecting retention and earnings gained information. Thus, these entities should also report the data for Items 35 and 36 on the report for the third quarter after the base quarter in which participants were placed in unsubsidized employment.

Enter the cumulative number of participants who were placed in unsubsidized employment in the base quarter (Item 32), plus the cumulative number of participants who were employed in unsubsidized employment when first receiving WtW services (Item 33), who remained in the workforce in the second subsequent quarter after the base quarter.

NOTE: Entry on line 35 divided by the sum of the entries at Items 32 and 33 (multiplied by 100) equals the percent of participants entering unsubsidized employment who remained in the workforce in the second subsequent quarter after the base quarter.

ITEM 36. Earnings Gained in 6 Months (two quarters) Following Placement in Unsubsidized Employment

a. Enter the sum of earnings of those individuals who remained in the workforce in the second subsequent quarter (those participants identified at Item 35).

b. Enter the sum of the earnings of the same group (those participants identified at Item 35) in the base quarter.

NOTE: The sum of earnings of those individuals who remained in the workforce in the second subsequent quarter (Item 36a) minus the sum of the earnings of the same group in the base quarter (Item 36b), divided by the sum of the earnings of the same group in the base quarter (Item 36b), multiplied by 100, equals the percent “Earnings Gain” in 6 months (second subsequent quarter) following placement in unsubsidized employment.

SECTION VII. REMARKS

Provide any explanations deemed necessary to support or describe entries provided above. Explanation of adjustments made to entries for a previous quarter should be provided in this section. (Electronic data entry instructions provide an “up-front” option to modify data submitted for a previous reporting quarter.)

SECTION VIII. SIGNATORY INFORMATION

With the provision of electronic formats via the Internet, the DOL has provided passwords for data input and PINs for data certification. The individual who was identified as the certifying official for each grantee should be responsible for the PIN entry, which then signifies that the data reported is valid. The date of data certification will automatically appear when the PIN is entered.

**PLEASE REFER TO THE WtW COMPETITIVE GRANT CUMULATIVE
QUARTERLY FINANCIAL STATUS REPORT, ETA 9068-1(Rev Nov 1998)**

REVISED 2-10-99

INSTRUCTIONS FOR REPORTING WELFARE TO WORK COMPETITIVE GRANTS FINANCIAL DATA

GENERAL INSTRUCTIONS

The Welfare to Work (WtW) Competitive Grant Cumulative Quarterly Financial Status Report provides the required data elements for competitive grant recipients to report expenditures and program income on an accrual basis. Participant summary data is also required to be reported.

The format is structured so that only one report will be required for each reporting period. For Fiscal Year (FY) 1998, only Column I will contain entries. For FY 1999, Column II may also contain entries if the entity receives a FY 1999 award. Each fiscal year of data reported should be cumulative for the life of the funds. The time limit for the expenditure of these funds is specified in each officially signed grant agreement, including grant award modifications.

Electronic transmittal of the data requested on the attached hard copy prototype format is now available for all WtW competitive grant recipients who have Internet accessibility and who have provided E-mail addresses to ETA. On-line reporting instructions have been provided to the grantees with the issuance of passwords and Personal Identification Numbers (PINs).

The first required report on the revised format should include data from inception of the grant through March 31, 1999. This report is due to ETA no later than May 15, 1999. Subsequently, the required data is to be transmitted to ETA quarterly, no later than 45 days after the end of each reporting quarter, and 90 days after the expiration of fund availability, or 90 days after all grant funds have been expended, whichever comes first. (Specifically, data for the quarter ending December 31 is due February 14, data for quarter ending March 31 is due May 15, data quarter ending June 30 is due August 15, and data for the quarter ending September 30 is due November 14.)

DETAILED INSTRUCTIONS

ITEM a. Enter the name and address of the grant recipient.

ITEM b. Enter the end date of the quarter reported.

COLUMN I. Place an "X" by either Quarterly or Final to indicate whether data entered in Column I is cumulative through quarter identified in Item b above, or final data for the FY 1998 award. Enter the FY 1998 Grant Number. All data entered in Column I should correspond to the FY 1998 funds and Grant Number identified. Adjustments to amounts entered in Column I of a previous report should be reflected in the current reporting quarter, with a footnote and an explanation in Section V, Remarks.

COLUMN II. Place an “X” by either Quarterly or Final to indicate whether data entered in Column II is cumulative through quarter identified in Item b above, or final data for the Fiscal Year 1999 award. Enter the FY 1999 Grant Number. All data entered in Column II should correspond to the FY 1999 funds and Grant Number identified. Adjustments to amounts entered in Column II of a previous report should be reflected in current reporting quarter, with a footnote and an explanation in Section V, Remarks.

SECTION I. GRANT TOTALS

ITEM 1. Federal Grant

The amount of the Federal WtW competitive grant award will ultimately be provided by the Department of Labor on the electronic format. In the interim, grantees should enter the grant award amount when submitting quarterly data.

ITEM 2. Federal Expenditures

Enter only Federal WtW accrued expenditures. This entry should be the sum of Items 5a and 5b.

ITEM 3. Federal Administrative Expenditures

Enter that portion of Federal expenditures (Item 2) which are administrative expenditures. Be sure to **exclude** Federal Technology/Computerization expenditures reported at Item 4.

NOTE: At the end of the life of a fiscal year of funds, or when all of a fiscal year of funds have been expended, this entry should not exceed 15% of the Federal grant award amount.

ITEM 4. Federal Technology/Computerization Expenditures

Enter the cumulative Federal expenditures for information technology (computer hardware or software) needed for tracking or monitoring under a WtW grant. This amount is included in Item 2. Do **not** include this amount in Item 3.

ITEM 5. Expenditures for:

a. Required Beneficiaries (70% Minimum). Enter the amount of accrued expenditures for “Required Beneficiaries” as defined at Section 403(a)(5)(C)(ii). This entry will be that portion of Item 2 which is expended in accordance with the 70% minimum requirement.

b. Other Eligibles (30% Maximum). Enter the amount of accrued expenditures for “Individuals with Characteristics Associated with Long-Term Welfare Dependence” as defined at Section 403(a)(5)(C)(iii). This entry will be that portion of Item 2 which is expended in accordance with the 30% maximum limitation.

NOTE: The sum of Items 5a and 5b should equal Item 2.

ITEM 6. Unliquidated Obligations

Enter the amount of grant funds that have been obligated, i.e., contracts and purchase orders, but for which expenditure has not yet been recorded in official records of account. This entry is additional to the amount entered at Item 2, Federal Expenditures. On the final report for the grant, this amount should be zero. Grantee has 90 days after the fund availability period has expired to liquidate obligations that were made during the period of fund availability. (Obligations incurred minus accrued expenditures (Item 2) should equal unliquidated obligations.)

SECTION II. FEDERAL EXPENDITURES BY ACTIVITY

Enter the amount of accrued expenditures for each of the activities in Items 7 through 15. The amounts reported at Items 7 through 14 should include only the actual pure costs of these activities. Any allocable amounts for administration, intake, assessment, eligibility determination, and case management should **not** be included in the amounts reported at Items 7 through 14. Allocable administration costs should be reported at Item 3. Costs incurred for intake, assessment, eligibility determination, and case management should be reported at Item 15.

There should be no entries on the lines provided for Items 9, 11, 12, and 13. Entries should only be made on the a and b lines provided for each of these items.

NOTE: The expenditures for Job Readiness, Job Placement, and Post-Employment Services that are not provided through the use of vouchers or contracts, but are provided as part of a comprehensive community service, work experience, or on-the-job training (OJT) program are to be included in the amounts reported at Items 7, 8, and 10.

When contracts or vouchers were used for placement in unsubsidized jobs, only include the expended portion of contracts or vouchers. Do not include the one-half holdback for 6-month placement in the workforce until the expenditure has been incurred.

ITEM 7. Community Services

ITEM 8. Work Experience

ITEM 9. Job Creation Employment Wage Subsidies

- a. Public**
- b. Private**

ITEM 10. On-the-Job Training

ITEM 11. Job Readiness Services

- a. Vouchers**
- b. Contracts**

ITEM 12. Job Placement Services

- a. Vouchers**

b. Contracts

ITEM 13. Post-Employment Services

a. Vouchers

b. Contracts

ITEM 14. Job Retention Services and Support Services

ITEM 15. Intake, Assessment, Eligibility Determination, and Case Management

ITEM 16. Total of Expenditures by Activity

Enter the sum of Items 7 through 15.

SECTION III. FEDERAL PROGRAM INCOME

ITEM 17. Earned

Enter the amount of program income earned in carrying out the objectives of the grant, less any costs incident to the generation of the program income. These funds are additional to the Federal grant amount, Item 1.

ITEM 18. Expended

Enter the amount of Earned Program Income, Item 17, that has been expended to further eligible project or program objectives. (These accrued expenditures are separate from any other expenditures reported.)

SECTION IV. PARTICIPANT SUMMARY

ITEM 19. Total Participants Served

Enter the cumulative number of WtW clients served under the grant. If a client leaves and then returns to the program for additional services, the client is to be counted again. (Item 19 should be the sum of Items 19a and 19b.)

NOTE: An individual is classified as a “participant served” when any one or more of the services identified at Items 7 through 14 are received by the individual. Also included as services which constitute “participant served” status are “in-depth” assessment, development of individualized service strategy, and case management services. Intake, initial assessment, and eligibility determination do NOT constitute “participant served” status for an individual. (Grantees are encouraged to “enroll” individuals into the WtW program as soon as they are determined eligible, so that when an appropriate service/activity becomes available, the individual does not have to be reassessed for eligibility. Enrollment into the program does NOT, however, constitute “participant served” status until the individual is actually served, as defined in this paragraph.)

a. Enter the total number of participants served who met the “Required Beneficiaries” criteria as defined at Section 403(a)(5)(C)(ii). This is the cumulative number of participants served by the expenditures reported at Item 5a.

b. Enter the total number of participants served who met the criteria for “Targeting of Individuals with Characteristics Associated with Long-Term Welfare Dependence” as defined at Section 403(a)(5)(C)(iii). This is the cumulative number of total participants served by the expenditures reported at Item 5b.

ITEM 20. Total Participants Terminated

Enter the cumulative number of WtW clients terminated under the grant. If a client ceases to be served and then returns to the program for additional services, the client is to be counted again. (Item 20 should be the sum of Items 20a and 20b.)

a. Enter the total number of participants terminated under the grant who met the “Required Beneficiaries” criteria as defined at Section 403(a)(5)(C)(ii). This is the cumulative number of participants terminated under the grant who had been served by the expenditures reported at Item 5a.

b. Enter the total number of participants terminated under the grant who met the criteria for “Targeting of Individuals with Characteristics Associated with Long-Term Welfare Dependence” as defined at Section 403(a)(5)(C)(iii). This is the cumulative number of total participants terminated under the grant who had been served by the expenditures reported at Item 5b.

ITEM 21. Placed in Unsubsidized Employment

Enter the sum of Items 21a and 21b.

NOTE: Include all participants who are placed in unsubsidized jobs for the first time, i.e., Social Security Number is linked with the job placement, while receiving WtW services. (This placement cannot be reported by the grantee again unless the person is terminated from the WtW program and comes back after not receiving WtW services for at least 90 days.) Exclude participants who are placed in any job for which the employer receives a wage subsidy. Also exclude participants who are placed in OJT until after the OJT is completed and the participant is retained in an unsubsidized job.

a. **Greater Than or Equal to 30 Hours Per Week.** Enter the cumulative number of WtW clients who entered unsubsidized employment of 30 or more hours per week.

b. **Less Than 30 Hours Per Week.** Enter the cumulative number of WtW clients who entered unsubsidized employment of less than 30 hours per week.

ITEM 22. Employed in Unsubsidized Employment When Entering WtW

Enter the sum of Items 22a and 22b.

NOTE: Include those WtW participants who were already employed in an unsubsidized job when becoming a “participant served” by the WtW program. Please refer to the definition of “participant served” at Item 19 in this Section IV of the reporting instructions. Individuals should not be counted in this entry until they meet the “participant served” status.

a. Greater than or Equal to 30 Hours Per Week. Enter the cumulative number of WtW participants who are employed in unsubsidized employment of 30 or more hours per week when becoming a participant served by the WtW program.

b. Less Than 30 Hours per Week. Enter the cumulative number of WtW participants who are employed in unsubsidized employment of less than 30 hours per week when becoming a participant served by the WtW program.

ITEM 23. Placed in Subsidized Employment

NOTE: Include all participants who are placed in subsidized jobs for which the wage subsidy is less than 100% of the participant’s total income and for which the subsidized job placement is not workfare, i.e., the total amount paid to the individual exceeds the amount of the subsidy.

Enter the sum of Items 23a and 23b.

a. Greater Than or Equal to 30 Hours Per Week. Enter the cumulative number of WtW clients who entered subsidized employment of 30 or more hours per week.

b. Less Than 30 Hours Per Week. Enter the cumulative number of WtW clients who entered subsidized employment of less than 30 hours per week.

NOTE the following for entries at Items 21, 22, and 23: For cases where an individual reported at Items 21 and 23 is upgraded from a “less than 30 hour per week” job to a “greater than 30 hour per week” job, reduce the count reported at Item 21b or 23b, as appropriate, and increase the count reported at Item 21a or 23a, as appropriate, in the quarter during which the upgrade occurs. For cases where an individual reported at Item 22 is upgraded from a “less than 30 hours per week” job, to a “greater than or equal to 30 hours per week” job, reduce the count reported at 22b and increase the count reported at 21a, in the quarter during which the upgrade occurs.

ITEM 24. Retained 6 Months in Unsubsidized Employment

NOTE: Retention is defined as when an eligible individual is placed in unsubsidized employment and remains in the workforce for 6 months with earnings in the two consecutive quarters following placement. For those individuals reported at Item 22 (employed in unsubsidized employment when entering the WtW program), the base

quarter from which retention is measured is the quarter in which WtW services were first provided, and thus the quarter in which an individual was first counted in the Item 22 entry.

Due to the anticipated one quarter lag in the availability of UI wage record data, the report for period ending June 30, 1999, will provide retention and earnings gained data for participants who were reported as placed on the report for the quarter ending September 30, 1998. Thus, the June 30, 1999, report will be the first quarter for which Retention (Item 24) and Earnings Gained (Item 25) data are to be reported.

Entities not using UI wage record data should utilize this one quarter lag period for collecting retention and earnings gained information. Thus, these entities should also report the data for Items 24 and 25 on the report for the third quarter after the base quarter in which participants were placed in unsubsidized employment.

Enter the cumulative number of WtW participants who were placed in unsubsidized employment in the base quarter (Item 21), plus the cumulative number of participants who were employed in unsubsidized employment when first receiving WtW services (Item 22), who remained in the workforce in the second subsequent quarter after the base quarter.

NOTE: Entry at Item 24 divided by the sum of entries at Items 21 and 22 (multiplied by 100) equals the percent of participants entering unsubsidized employment who remained in the workforce in the second subsequent quarter after the base quarter.

Item 25. Earnings Gained in 6 Months (two quarters) Following Placement in Unsubsidized Employment

a. Enter the sum of earnings of those individuals who remained in the workforce in the second subsequent quarter (those participants identified at Item 24).

b. Enter the sum of the earnings of the same group (those participants identified at Item 24) in the base quarter.

NOTE: The sum of earnings of those individuals who remained in the workforce in the second subsequent quarter (Item 25a) minus the sum of the earnings of the same group in the base quarter (Item 25b) divided by the sum of the earnings of the same group in the base quarter (Item 25b), multiplied by 100, equals the percent “Earnings Gain” in 6 months (second subsequent quarter) following placement in unsubsidized employment.

SECTION V. REMARKS

Provide any explanations deemed necessary to support or describe entries provided above. Explanation of adjustments made to entries on a previous report should be provided in this Section. (Electronic data entry instructions provide an “up-front” option to modify data submitted for a previous reporting quarter.)

SECTION VI. SIGNATORY INFORMATION

With the provision of electronic formats via the Internet, the DOL has provided passwords for data input and PINs for data certification. The individual who was identified as the certifying official for each grantee should be responsible for the PIN entry, which then signifies that the data reported is valid. The date of data certification will automatically appear when the PIN is entered.

Performance Bonus Criteria Chart

The following chart displays the four factors that will be used in determining the performance bonus allocations and the source of the information from the Formula Cumulative Quarterly Financial Status Report (QFSR).

Factor	Formula	Reporting Item No.
Job Entry Basic Rate	Number entering subsidized and unsubsidized employment for the first time while receiving WtW services divided by the number of participants	32 plus (+) 34 divided by (/) 31
Job Entry 30 Hours or More Rate	Number placed in both subsidized or unsubsidized employment at 30 or more hours per week divided by the total number of participants	32a+34a/31
Job Retention Rate	Number of participants employed in <i>unsubsidized</i> employment the base quarter that were still employed in the second subsequent quarter divided by the number of participants employed in the base quarter	35 (Q5)/ 32+33 (Q3)
Earnings Gain Rate	Sum of the earnings of participants retained in unsubsidized employment in the second subsequent quarter from placements minus the earnings of the same group in the base quarter divided by the earnings of the same group in the base quarter	36a-36b/ 36b (Q5)